

CA RIN
Workbook 2
New Historical Data
Basis of Preparation

AER 2025-30



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1 Overview

1.1 Introduction

On 11 October 2023, the Australian Energy Regulator (AER) issued Energex Limited (Energex) with a Regulatory Information Notice (RIN) under Division 4 of Part 3 of the National Electricity (Queensland) Law.

The RIN requires Energex to prepare a *basis of preparation* (BoP) for all information other than forecast information in accordance with the requirements specified in the notice. The BoP must:

- (a) demonstrate how the information provided is consistent with the requirements of this notice;
- (b) explain the source from which Energex obtained the information provided;
- (c) explain the methodology Energex applied to provide the required information, including any assumptions Energex made;
- (d) explain, in circumstances where Energex cannot report actual information and therefore must report estimated information:
 - (i) why an estimate was required, including why it was not possible for Energex to use actual information;
 - (j) the basis for the estimate, including the approach used, assumptions made and reasons why the estimate is Energex's best estimate.

The BoP must be a separate document (or documents) that Energex submits with its completed regulatory templates.

This BoP relates to the information provided in the regulatory template "Workbook 2 – New historical data".

1.2 Structure

The AER requires the BoP to follow a logical structure that enables auditors, assurance practitioners and the AER to clearly understand how Energex has complied with the requirements of the RIN.

To this end, Energex has structured this BoP with a separate chapter to match each of the worksheet tabs where a BoP is required. For each table within a particular template Energex has explained:

- how Energex have complied with the RIN requirements;
- the source of the information;
- the methodology and assumptions used to calculate the information; and
- whether the information used is estimated or actual based on the RIN definitions.

2 Template 4.2 Metering Capex

2.1 Compliance with Requirements of Notice

The response to workbook 4.2 is consistent with the principles and requirements set out in Appendix A of the Reset RIN. Below demonstrates how the information provided by Energex is consistent with each of the requirements specified by the AER:

- Energex has populated all variables for cells shaded yellow as required by the RIN.
- Meter type, code, actions etc are in line with the *Standardised Metering Capex and Opex* model.
- Energex notes that it does not have regulated metering services relating to meter categories.
- Type 4 and Type 5 Metering - Type 5 Metering is not permitted in Queensland as per the National Metrology Procedures Part A and Energex does not own any Type 4 Metering. Energex has identified this in the BoP.
- Data has not been reported in relation to metering services which have been classified as contestable. Non-contestable, regulated metering services have been reported by Energex including work performed by third parties on behalf of Energex.
- Impacts due to introduction of Power of Choice (PoC) on 1 December 2017 are noticeable in some line items where applicable for volumes and expenditure.
- Energex has used information primarily sourced from Business Objects Report (MET004 Metering Counts & PCE130) which utilises data from the Meter Asset Register System (MARS) and PEACE. For this RIN the report data was refreshed on 30 June each year.

2.2 Sources of Information

The information used to populate Worksheet 4.2 is consistent with data provided in Category Analysis RIN template 4.2 for each respective year.

Table 2.1 below sets out the sources from which Energex obtained the required information.

Table 2.1 Information Sources

Variable	Source
RIN Table 4.2.5 - Meter Population	DMA report MET 004 & PCE130
RIN Table 4.2.4 – Metering Capex	EIP Model FIC3013: Ellipse GL Transactions
RIN Table 4.2.6 – Meter Action by Meter Type	DMA Reports: CUS016, POW015

2.3 Methodology

2.3.1 Table A Meter Types

Meter type codes are categorised as per below table and match those reported in the **Standardised Metering Capex and Opex** model.

Table 2-1 Meter type codes

Meter Type	RIN Subcategory 1	RIN Subcategory 2	AER Type	RIN Subcategory 3	Meter Code
Non AMI - Type 6 Locally read Accumulation - Single Phase	Single Phase Meter Population	Direct Connect Meter Population	Meter Type 6	Single phase non off peak - Accumulation	ACC 1ph
Non AMI - Type 6 Locally read Accumulation - 3 Phase	Multi Phase Meter Population	Direct Connect Meter Population	Meter Type 6	Multi phase direct connect - Accumulation	ACC 3ph
Non AMI - Type 6 Locally read Accumulation - CT	Multi Phase Meter Population	Current Transformer Connected Meter Population	Meter Type 6	Multi phase Current transformer connected meter Accumulation	ACC 3ph CT

2.3.2 Table B Meter Actions

Meter actions are categorised as per below and match those reported in the **Standardised Metering Capex and Opex** model:

- New Meter Installations
- Refurbished Meters
- Replacements – End of Life
- Replacements – Failures and Faults

2.3.3 Table 4.2.4 – METERING CAPEX

2.3.3.1 A. Meter Related Costs

New Meter Installations

New Meter Installation expenditure is taken from the EIP Model Ellipse GL Transactions. Energex ceased the installation of new meters due to introduction of PoC in December 2017. A small expenditure amount was reported in 2018-19 financial year.

Refurbished Meters

The refurbishment of Meters ceased prior to 2017 due to the introduction of PoC.

Replacements – End of Life

The replacement of End-of-Life Meters ceased prior to 2017 due to the introduction of PoC.

Replacements – Failures and Faults

Expenditure due to the replacement of failed and faulty meters is taken from the EIP Model Ellipse GL Transactions. Energex ceased the replacement of failed meters due to introduction of PoC in 2017, however a small amount of expenditure was reported in 2018-19 financial year.

Abolishment's

Meter related costs due to Abolishment's is not reported in Metering Capex.

Meter Purchase

Expenditure for the purchase of new metering equipment ceased in 2017 due to the introduction of PoC.

2.3.3.2 B. Asset Disposal Income (income from disposal of meters)

A small volume of suitably recovered non-asbestos mechanical meters are scrapped and recycled by an external company each FY. Energex receives nil net income due to the cost involved in scrapping the meters and is therefore not reported.

2.3.3.3 C. Capital Contributions

Nil capital contributions reported.

2.3.4 Table 4.2.5 – METER POPULATION

- Meter type and code match those reported in the Standardised Metering Capex and Opex model
- Meter population as at the end of each financial year was calculated using actual meter population figures obtained from Market System Peace CIS (DMA Report MET 004) where meter was status of "Installed" and Meter Provider was "EGX".
- The data contained within the report is sourced from PEACE CIS Meter Table and model verified against source of truth from MARS.
- Grouping is done to identify which should be included in the poly phase, single phase, CT connected, and direct connected categories.
- Data quality is such that accuracy is approximately 99.9%. Remaining 0.1% assets could be in the discrepancy due to meter churn in process to another MP or unknown asset data being aligned to assets that are located within restricted sites (prisons, fire brigades, asbestos sites, hospitals, industrial). As the unknown data equates to a negligible portion of assets it is disregarded - therefore no estimation is required.
- Filters:
 - Meter Status = Installed
 - NMI Class not extinct
 - Date as of 30 June each year
- Grouping Rules:
 - Single phase
 - Poly phase CT_DC Type
- Current Transformer
- Direct Connect
- Meter population reconciles with the volumes recorded in the Annual RINs

- There is a small volume of CT meters remaining in the “Non AMI - Type 6 Locally read Accumulation - Single Phase” category

2.3.5 Table 4.2.6 – METER ACTIONS BY METER TYPE

2.3.5.1 A. New Meter Installations - Growth

New Meter Installation expenditure is taken from the EIP Model Ellipse GL Transactions. Energex ceased purchasing and installation of new meters due to introduction of PoC in 2017.

A small volume of new meter installations is recorded in 2018-19 FY.

New meter installation volume recorded in CUS015 report for any site work being completed since 1st December 2017. Energex ceased the installation of new meters due to the introduction of PoC in 2017.

Due to limitations in extracting the data the methodology used in grouping total volumes to the single-phase category 9 was based on:

- Energex Type 6 legacy meters in 2017-18 where mostly single phase (92.5%) with an immaterial number (7.5%) multi-phase.
- The majority of meters installed in 2017-18 were single phase, therefore New Meter Installations were bundled under the Single-Phase Meter Type category.

2.3.5.2 B. Refurbished Meters

The refurbishment of Meters ceased prior to 2017 due to the introduction of PoC, therefore nil volumes are recorded since 2017.

2.3.5.3 C. Replacement Meters – End of Life

The replacement of Meters due to end of life ceased prior to 2017 due to the introduction of PoC, therefore nil volumes are recorded since 2017.

2.3.5.4 D. Replacement Meters – Failure and Faults

The replacement of Meters due to failures & faults ceased in December 2017 due to the introduction of PoC. Volumes were reported for 2017-18 declining in 2018-19 to Nil volumes thereafter.

2.4 Estimated Information

All variables reported in Workbook 2 are actual figures.

2.5 Assumptions

Not applicable.

2.6 Explanatory Notes

The following have been applied to obtain the required information:

- Energex does not have Type 4 or Type 5 meters in its regulated business and as such no information has been reported against these variables.
- Impact due to introduction of Power of Choice (PoC) on 1st December 2017 continued to be noticeable in all line items where applicable for volume and expenditure.

3 Template 4.2 Metering ICT

3.1 Compliance with Requirements of the Notice

In accordance with the instructions set out in Appendix A Workbook Instructions, Energex is required to report:

- Table 4.2.7 ICT Projects Capex - capital expenditure by project name associated with metering for Communications Projects, IT Projects, Other ICT Projects for the period 2017-18 to 2022-23; and
- Table 4.2.8 Equipment Population (at end of year) - volumes associated with metering for the period 2017-18 to 2022-23. Equipment types must match those reported in the Standardised Metering Capex and Opex model (Access Points, Relays, Antennas, Batteries, Modems)

In accordance with the instructions set out in Appendix A Workbook Instructions:

- Information must reconcile to internal planning models used in generating Energex's proposed revenue requirements;
- Information must be classified by the AER as alternative control services. This includes work performed by third parties on behalf of Energex; and
- Energex must not report information in relation to metering services which have been classified as negotiated services or not classified by the AER.

Energex does not have any capital expenditure to report for ICT costs relating to ACS Metering for Type 6 meters (basic meters) for the period 2017-18 to 2022-23. Generally ICT Capex relating to metering services is included in overarching ICT projects relating to Energex's customer and market systems. Additionally, as type 4 (smart meters) are not classified by the AER any associated ICT capex costs are not required to be reported.

Energex does not have any ICT equipment for type 6 meters to report in Table 4.2.8 Equipment population for the period 2017-18 to 2022-23.

3.2 Sources of Information

Not applicable.

3.3 Methodology

Not applicable.

3.4 Estimated Information

Not applicable.

3.5 Assumptions

Not applicable.

3.6 Explanatory Notes

Not applicable.

4 Template 7.4 Shared Assets

The AER requires Energex to provide historic information on unregulated revenue earned with shared assets for 2014-15 to 2022-23.

4.1 Compliance with Requirements of the Notice

Appendix A Regulatory template instructions and sections 2 through 6 of the RIN do not contain any explicit requirements or instructions for this template.

Appendix B contains a definition of “Shared Assets unregulated revenue”. The information provided in Table 7.4.1 Shared Asset is consistent with this definition.

General consistency with the RIN requirements:

- All variables for cells shaded yellow have been populated as required by the Notice.
- All historical information provided is in nominal dollars, unless otherwise specified.

The information provided contains actual data as set out in the table below.

Table 4.1: Actual Vs Estimated

Variable	Actual Vs Estimated
Shared asset revenue	Actual

4.2 Sources of information

Table 4.2 below sets out the sources from which Energex obtained the required information.

Table 4.2: Source

Variable	Source
Shared asset revenue	General ledger

4.3 Methodology

4.3.1.1 Assumptions

The Australian Energy Regulator’s (AER) Shared Asset Guideline defines shared assets as those assets used to provide both electricity supply services (regulated by the AER) and other unregulated services. They are regulated assets used to provide standard control services (therefore included in the regulated asset base (RAB)) from which a network service provider earns additional unregulated revenue streams.

For Energex, shared assets are restricted to system assets and do not apply to non-system assets such as fleet, buildings, tools and equipment for the following reasons:

- Existing non-system assets in the RAB at the start of the regulatory period were adjusted to remove costs associated with the provision of unregulated services; and
- Energex's current cost allocation method (CAM) requires the cost associated with non-system assets to be allocated accordingly to unregulated services.

As a result, only unregulated revenue earned from system assets has been included in this template.

4.3.1.2 Approach/Methodology

The shared asset revenue earned from supply system assets is for the use of distribution assets such as transmission towers, power poles, street lighting and underground conduits for supporting other services such as telephone or fibre optic communication cables. This revenue is recorded using a distinct general ledger product code and was extracted from the audited trial balance reports for all years from 2014-15 to 2022-23.

4.4 Estimated Information

Not applicable – actual information has been used.

4.5 Assumptions

Not applicable.

4.6 Explanatory Notes

Not applicable.